



Form 2-ES
**Massachusetts Estimated Income Tax
for Filers of Forms 2, 3F and 3M**

2004

**Massachusetts
Department of
Revenue**

General Instructions

What is the purpose of estimated tax payment vouchers?

The purpose of the payment vouchers is to provide a means for paying any taxes due on income which is not subject to withholding. This is to ensure that taxpayers are able to meet the statutory requirement that taxes due are paid periodically as income is received during the year.

Who must make estimated tax payments? Generally, you must make estimated tax payments if you expect to owe more than \$200 in taxes on income not subject to withholding. Every fiduciary, corporate trust, club or other unincorporated organization is subject to these requirements.

Are there penalties for failing to pay estimated taxes? Yes. An additional charge is imposed on the underpayment of any installment of estimated tax for the period of that underpayment. Use Form M-2210 when filing your annual return to determine the amount of any penalty due or if you qualify for the exceptions that avoid the penalty.

When and where do I file estimated tax payments? Generally, your estimated tax may be paid in full on or before April 15, or in equal installments on or before April 15, June 15, September 15 and January 15 of the following year. Make your check or money order payable to the **Commonwealth of Massachusetts**. Please write your Federal Identification number in the left hand corner on your check or money order. Send a completed voucher with each payment to ensure accurate crediting to your account. Vouchers should be filed with Massachusetts Department of Revenue, PO Box 7007, Boston, MA 02204. **Do not mail your payment with your prior year's annual return.**

If you pay your full estimated tax with your first payment voucher, you need not file the remaining payment vouchers unless your income increases during the year and you need to increase your estimated payment amount.

Are there exceptions to the due date? Whenever a due date falls on a Saturday, Sunday or legal holiday, the filing and payment may be made on the next succeeding business day. If your return is not on a calendar year basis, enter due dates on each voucher to correspond with your fiscal year. Your due dates will be the 15th day of the fourth, sixth, and ninth months of your fiscal year and the 15th day of your next fiscal year.

What if my tax liability changes during the year? Even though you may not expect to owe estimated tax payments, your income or deduction(s) may change during the year so that you will be required to make estimated tax payments. In such case,

the payment dates are as follows: June 15, if the change occurs between April 1 and May 31; September 15, if the change occurs between June 1 and August 31; next January 15, if the change occurs after August 31. Use the Amended Computation Worksheet if, during the year, you find that your estimated tax is substantially increased or decreased. The estimated tax may be paid in full at the time of filing your first payment voucher or in equal installments on the remaining payment dates. Be sure to use the appropriate voucher for each date.

What if I credited my 2003 refund to 2004 estimated taxes? If you overpaid your 2003 income tax and elected to apply it as a credit to your 2004 estimated income tax, the amount of overpayment may be applied in whole or in part to any installment period. If any overpayment credit remains, apply it to the next installment.

Be sure to enter the overpayment credit in column c of the Record of Estimated Tax Payments. If the credit equals or exceeds your full estimated tax liability for 2004, you need not file the payment vouchers. Send a payment voucher to DOR only when you are making a payment.

Specific Instructions

1. Complete the Estimated Tax Worksheet to determine your estimated tax.
2. Enter your name, address, Zip code and Federal Identification number on the payment voucher.
3. Enter the correct due dates.
4. Enter in line 3 of the voucher the amount due from line 9 of the worksheet. Also, enter in lines 1 and 2, respectively, the amounts from lines 2c and 3c of the worksheet.
5. Complete the Record of Estimated Tax Payments.
6. Mail the voucher with check or money order payable to the **Commonwealth of Massachusetts**. Write your Federal Identification number in the lower left corner of your payment check.

If you must amend your estimated tax:

1. Complete the Amended Computation Worksheet;
2. Complete lines 1 through 3 of the appropriate voucher; and
3. Detach the voucher at perforations and mail with required payment.

Note: You do not have to report that you are amending your estimate.

Estimated Tax Worksheet. Explanations of your deductions, exemptions and credits appear in the tax form instructions.

Note: If first voucher is due on April 15, 2004, June 15, 2004, September 15, 2004, or January 15, 2005, enter 25%, 33%, 50% or 100%, respectively, of line 8b (less any overpayment that you are applying to this installment) on line 9 of the worksheet and on line 3 of your payment voucher. Also, divide lines 2b and 3b by the same percentage and enter the result in lines 2c and 3c of the worksheet and on lines 1 and 2, respectively, of your payment voucher.

	a. Taxable income	Tax rate	b. Amount	c. Estimated installment
1. Taxable 5.3% income* (after deductions and exemptions)	1	x .053		
2. Taxable 12% income (after exemptions, if any). 12% income includes any income associated with short-term capital gains and long-term gains on collectibles. See Note above	2	x .12		
3. Taxable long-term capital gain income (after deductions and exemptions, if any). Long-term capital gain income includes any income associated with long-term capital gains excluding collectibles. See Note above	3	x .053		
4. Total tax. <i>Add column b of lines 1 through 3</i>	4			
5. Credits	5			
6. Your estimate of 2004 income tax. <i>Subtract line 5 from line 4.</i>	6			
7. Amount of this tax expected to be withheld during 2004	7			
8. Estimated tax for 2004. <i>Subtract line 7 from line 6.</i> If less than \$200 you are not required to make estimated payments	8			
9. Amount of payment. See Note above. Using the amount from line 8, make appropriate calculation and enter result here and on line 3 of your payment voucher	9			

*5.3% income includes: wages, salaries, tips, business income, partnership and S corporation income, trust income, rental income, unemployment compensation, alimony, pensions and annuity income, IRA/Keogh distributions, winnings, fees, interest and dividend income and other taxable income not taxed at the 12% rate or as long-term capital gain income.

Amended Computation Worksheet. Use if your estimated tax changes substantially after you file your first payment voucher.

1. a. Amended estimated tax on 5.3% income	1a	
b. Amended estimated tax on 12% income	1b	
c. Amended estimated tax on long-term capital gain income taxed at 5.3%	1c	
d. Total amended estimated tax	1d	
2. Less:		
a. Amount of last year's overpayment elected for credit to 2004 estimated tax and applied to date	2a	
b. Payments made on 2004 vouchers	2b	
c. Add lines 2a and 2b	2c	
3. Unpaid balance. <i>Subtract line 2c from line 1d</i>	3	
4. Amount to be paid. <i>Divide line 3 by number of remaining installments.</i> Enter here and on line 3 of payment voucher. Also, divide lines 1b and 1c by number of remaining installments. Enter the result(s) in lines 1 and 2, respectively, of payment voucher	4	

Please submit the enclosed vouchers, with your payments, when due. Make all checks payable to **Commonwealth of Massachusetts** and write your Social Security number in the lower left corner on each check.

An additional charge is imposed on the underpayment of estimated taxes. Willful evasion of taxes is a felony punishable by a fine of up to \$100,000 or imprisonment up to five years, or both.

Record of Estimated Tax Payments. Please mark your calendar as a reminder to mail each payment voucher.

Voucher number	a. Date	b. Amount paid	c. 2003 overpayment credit applied to installment	Total amount paid and credited from Jan. 1 through the installment date shown. <i>Add b and c</i>
1				
2				
3				
4				
Total				

If you have any questions, contact the Massachusetts Department of Revenue, Customer Service Bureau, PO Box 7010, Boston, MA 02204. Telephone: (617) 887-MDOR or toll-free in-state at 1-800-392-6089. **Practitioners:** You must obtain prior approval if you plan to use substitute vouchers.